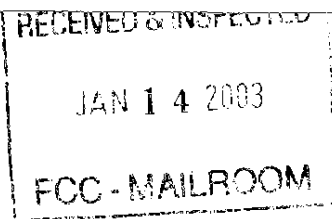




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Telecommunications Research & Action Center

Post Office Box 27279 Washington, D.C. 20005

(202)263-2950

January 8, 2003

Marlene H. Dortch, Secretary  
Federal Communications Commission  
445 12th Street, SW  
Washington, D.C. 20554

RE: CC Docket Nos. 01-338, 96-98 and 98-147

Dear Secretary Dortch:

On January 7, 2003, CompTel, an industry trade association representing telephone companies (<http://www.comptel.org>), released an analysis that finds that local phone competition could save consumers up to \$9.24 billion in local phone bills annually. The data that CompTel used for this analysis was reported by the Telecommunications Research and Action Center (TRAC) in 2001-2002 and made available to the public. The report attributes the savings to a policy position being urged by CompTel at the Federal Communications Commission.

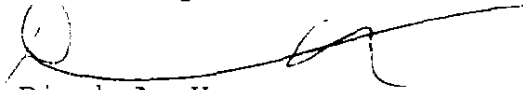
**The purpose of this letter is to clarify that TRAC did not take part in CompTel's analysis, did not see the analysis or report before it was released by CompTel and has not endorsed the findings nor policy recommendations in the report.**

TRAC is pleased that CompTel has recognized the quality and validity of our work. TRAC supports the introduction of effective and sustainable competition into the local and long distance telephone industry for residential telephone consumers. Beginning in late 1999 and early 2000, TRAC began to examine the impact of competition in the long distance and local telephone markets engendered by the granting of 271 authority to local phone companies to offer long distance service. TRAC's initial study was of the New York market, one year after the former Bell Atlantic, **now** Verizon, was given authority to offer long distance service. TRAC results demonstrated that when 271 authority was granted, increased long distance and local competition resulted in significant consumer savings.

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TRAC, however, has not participated in the complex pricing debate that is the subject of the CompTel study. TRAC understands that there are competing views on **the** so-called UNE and UNE-P issues, and that one view is that the current rules have seriously hampered the deployment of competitive services to residential customers; while CompTel argues the opposite. TRAC acknowledges that this is an important issue, and urges the Commission to implement solutions that will assure the long term availability of sustainable and effective competition for residential telephone customers

Sincerely,

A handwritten signature in dark ink, appearing to read "Dirck A. Hargraves", written over a horizontal line.

Dirck A. Hargraves  
Counsel

Telecommunications Research & Action Center

cc: Chairman Michael K. Powell  
Commissioner Kathleen Q. Abernathy  
Commissioner Michael J. Copps  
Commissioner Kevin J. Martin  
Commissioner Jonathon S. Adelstein